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25 Mar 76

76-2073

DEPUTY DIRECTOR FOR OPERATIONS
ROUTING SHEET

Executive Registry

76-6767/6

TO:

	ACTION	INFO	DATE	INITIALS
1 DDO				
2 ADDO				
3 C/PLANS				
4 C/OPS				
5 C/SS				
6 C/CCS				
7 C/CI				
8 C/AF				
9 C/DCD				
10 C/DIVD				
11 C/EA				
12 C/EUR				
13 C/FR				
14 C/NE				
15 C/SE				
16 C/LA				
SA/DCI				

STATOTHR

SA/ADD

DATE 8 Apr.

EX-100 DEPARTMENT FILE DCI

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Reference: ER 76-6767/3

Executive Registry

76-6767/5

FROM: John N. McMahon
 Associate Deputy Director
 for Administration
 7D 24 Hqs

EXTENSION

NO.

DDA 76-1667

DCI

DATE

2 April 1976

25X1

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

STATOTHR

1. Director of Central Intelligence
 7D 5607 Hqs

Sir:

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15/ jnm
 John N. McMahon

Atts:

Summary +
 Reference

Distribution:

Orig - DCI
 1 - DDCI w/summary
 1 - ER w/summary

(EXECUTIVE REGISTRY FOR)

DCI

Executive Registry
 Room 7-E-12
 Headquarters

Approved For Release 2002/06/06 : CIA-RDP79M00467A000200150045-5

25X1A

February 27th

Mr. Blake:

Mr. Bush asked me to ask you to solicit views around the building to see if such a study as the one set forth in the attached is worthwhile.

Thanks.

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RECEIVED DEPT. OF STATE
DCI

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Next 1 Page(s) In Document Exempt

Approved For Release 2002/06/06 : CIA-RDP79M00467A000200150045-5

MEMORANDUM FOR:

JF

1. ~~Have letter typed~~
attached
2. Give McMahon
back his memo for
more dope. -

Date

29 MAR 1975

25X1A

DD/A 76-1473

76-6767/3

25 MAR 1976

To John McMahon
Please give me more
this

MEMORANDUM FOR: Director of Central Intelligence
FROM : John N. McMahon
Acting Deputy Director for Administration
SUBJECT : Research Proposals from Hudson Institute

Sir:

1. On 27 February, you asked that I seek opinions on the Hudson Institute proposals submitted by Herman Kahn. A consensus finds that although the Institute may have done some provocative analysis in the past, there doesn't seem to be much they can do for CIA today. Indeed, some consideration was given to using Hudson Institute in the past, but proposals "were never undertaken or even discussed with Hudson Institute"

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2. Regarding the Institute's first proposal, Current Intelligence Community Issues, senior officers surveyed feel the subject "would be inappropriate for the Hudson Institute"; "as outlined is much too shallow"; and "given the short time frame of 90 days for completion of the studies, ...question whether the authors will have absorbed all they need to make meaningful or valuable recommendations". In brief, the task the Institute proposes is too great for the time and dollar resources that they allocate to it. Undoubtedly, they could extend the time frame and request more money, but there is still the question -- is Hudson Institute the right organization to be using for this sort of study?

3. The second Hudson Institute proposal, Long Term Trends in Nations and Regions Important to United States Security, likewise, provoked many less-than-positive comments. One officer did comment, however, that the study won't "turn up any great truths, but may well challenge our conventional

DCI

wisdom in useful ways and provoke some thought and discussion about our future". Many officers feel that there have been enough studies done over the past year; the problems have been identified and we should get on with doing what must be done. The level of effort proposed by the Institute caused some officers to comment that the proposal seems too ambitious for a starter and "somewhat arrogant and undoubtedly too expensive". Likewise, others are convinced "that the same manpower can be put to much better, truly policy-oriented work if it is kept right here on the job". There is some thought that this is merely a repackaging of things [redacted] has already done and is being offered at a handsome price.

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4. Given the almost totally negative reaction of the senior officers surveyed, I have prepared an appropriate response for you to send [redacted]

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[redacted]
[redacted]
[redacted]
John N. McMahon

76-6747/2A

DD/A 76-1483

29 MAR 1976

Mr. Herman Kahn
Director, Hudson Institute
Quaker Ridge Road
Croton-on-Hudson, New York 10520

Dear Herman:

Pardon my long delay in answering your February 20th letter, but all hell has broken loose around here due to the President's new far-reaching Executive Order - that is, all hell that hadn't broken loose before the Order had broken loose.

Anyway, I did survey our top people and it is the consensus here that at this time it would be better to allow the changes being made as a result of the President's Executive Order and the Congressional investigations to take effect and go through their "shakedown" period before we begin any new studies of the Community and the issues and trends central to it.

Thanks for letting me have the advanced look at The Next 200 Years.

I have been out of the country too, so we had trouble getting together. This is a hectic time of month.

Sincerely,

/s/ George Bush
George Bush
Director

Retype: DCI/GB/dlg
29 March 1976

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Executive Registry
76-6262/38

DD/A 76-1483

29 MAR 1976

Mr. Herman Kahn
Director, Hudson Institute
Quaker Ridge Road
Croton-on-Hudson, New York 10520

Dear Herman:

Thank you for your letter of 20 February, suggesting the short term project to study Intelligence Community issues and the project to study long term trends. I have given both proposals careful consideration and have concluded that at this time it would be better to allow the changes being made as a result of the President's Executive Order and the Congressional investigations to take effect and go through their "shakedown" period before we begin any new studies of the Community and the issues and trends central to it.

Thanks again for the proposals, and also for the draft manuscript for The Next 200 Years. I enjoyed reviewing it.

Sincerely yours,

/s/ George Bush

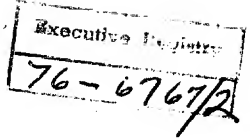
George Bush
Director

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WAB SE 10 31 AM '76

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QUAKER RIDGE ROAD, CROTON-ON-HUDSON, N.Y. 10520 • TELEX 137343 • 914 RO 2-0700

20 February 1976

Mr. George Bush
Director, Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear George:

Leon Martel and I--along with Tom Pepper, who has just joined our staff and will take over our Asian office later this year--have been giving some thought to the question you posed when we recently met with you, namely, "What can Hudson do for the C.I.A.?"

We would like to suggest two projects. One is a short-term, fast turn-around study of what we perceive to be current critical issues in the operation and management of the United States intelligence community; the other is a long-term effort which will make use of Hudson's experience and expertise in social, economic, political and military forecasting to project future trends in nations and regional areas important to U.S. national security.

Each of these projects is briefly explained in the enclosed pages. Both would be unclassified, and, at your discretion, could be made available to the public. We think of the second project, particularly, as not only an important contribution to the U.S. intelligence community, but also an opportunity for a C.I.A.-Hudson collaboration that would demonstrate further the great value to the nation of the Agency's information and analytic resources. As you know, unclassified C.I.A. maps and economic studies--though not widely known--enjoy a very high reputation among both scholars and expert users. We believe that by expanding efforts of this kind the C.I.A. can greatly enhance its credibility with both the attentive and general publics. The Agency is, and should be recognized as, a national resource as great and valuable to our country in its own expertise as is the Library of Congress.

Leon, Tom and I will be in Washington on Tuesday the 24th, just prior to my departure on a two-week visit to Iran and Europe. I have asked my secretary to arrange an appointment on that day if you have some time available; otherwise I would hope to be able to see you some time soon after my return. I am personally looking forward to discussing these projects with you, and I would, of course, be delighted to have Hudson working with the C.I.A.

Mr. George Bush

-2-

20 February 1976

As promised, I am sending under separate cover a draft copy of the manuscript for The Next 200 Years, the first book of our Prospects for Mankind study. It will be published on May 3rd by William Morrow & Company of New York in a version containing some slight revisions from this present draft.

Best wishes,



Herman Kahn
Director

HK/mhb

Enclosures (2)

Hudson Institute

Enclosure I to
H. Kahn's letter
of 20 February 1976

CURRENT INTELLIGENCE COMMUNITY ISSUES

Object of Study: Analyze and make recommendations on issues which are currently critical for the management and operation of the United States intelligence community. While these are issues which undoubtedly have been--and will continue to be--addressed by various groups and individuals within and outside the community, we feel that our own experience will enable us to address them with a perspective not likely to be found elsewhere. We believe that these issues include, but are not necessarily limited to, the following:

1. Management of the Intelligence Community. Unified management of the agencies of the U.S. intelligence community has never before existed in this country. What are the key problems which will confront unified management? What alternative solutions can be suggested to deal with these problems, including letting some of them exist unresolved? What are the costs (operational and political) of these solutions? To the extent known, what has been the experience of other nations (including the USSR) with unified intelligence management?
2. Personnel Policies for a Career Intelligence Service. The intelligence community, and particularly the C.I.A., face personnel problems arising from several overlapping circumstances. These include the retirement from service of the OSS and immediate post-OSS "generations" which have formed the backbone of the Agency for the past 20 years, the limited recruitment opportunity available to the intelligence community during most of the 1960's, and the recent heavy investigative pressure and media criticism which the Agency has felt. These have created problems concerning adequate experience base, appropriate criteria for executive selection, inter- and intra-organizational cross fertilization, and future recruiting. For each of these problems approaches can be suggested which either ameliorate their consequences or reduce the difficulties of living with them.
3. Methodology of Intelligence Forecasting. Hudson's unique methodology has made it very successful in long-range forecasting in a variety of fields. Its "business-as-usual," "surprise-free" and "a fortiori" projections have made clearly visible for its clients both unclothed emperors and forests instead of trees. We feel that our methodological approach can similarly illuminate intelligence forecasting, and that it should at least be given a try.

4. Criteria for Classifying Information. As far as we know this subject has never been the object of critical outside analysis. Present guidelines are amorphous and inconsistent. In particular, the dichotomy of a dual system (for content classification and content access) is both cumbersome and confusing. The consequences are overclassification as often as they are inadequate protection; the costs are bureaucratic overload, unnecessary delay, and leaks.
5. Public Image of the C.I.A. The image of the C.I.A. in the public at large is not as bad as the majority of the news media would have us think it is. Most Americans support and believe in the need for a strong viable intelligence organization--probably even more for operational than for analytical purposes, thanks largely to our entertainment media. However, influential persons in the news media and important decision-making bodies think and express themselves differently and in so doing they greatly influence the perceptions of those outside the U.S.--who after all learn what they know about America from its spokesmen. The problem is how to make known more clearly the position of the majority and thus isolate and negate the influence of the minority.

Form of Output: Memo reports with executive summaries; on-site briefings when requested and appropriate; other mutually agreed output.

Duration of Study: Three months (1 April - 30 June 1976)

Level of Effort: One-half a man-year (approximately \$40,000)

LONG TERM TRENDS IN NATIONS AND REGIONS
IMPORTANT TO UNITED STATES SECURITY

Object of Study: To assemble and analyze various political, economic and social trends which will tend to delimit the context for political-military planning for the next five to fifteen years. These trends will be presented and developed in three "orders" or "ranges," each of which can be viewed separately or in conjunction with either one or both of the other two. These "orders" are:

1. A "micro" order in which the basic political and economic characteristics of 140 countries will be examined, with special attention devoted to the 30 of these countries most important to U.S. security interests. Such elements as the economic growth rate, population, GNP per capita, political strengths, weaknesses, and likely crises in these countries will be reviewed, explicated, and projected.
2. A "mini" order which will examine and discuss political, economic and social trends for the major eco-cultural regions of the world (e.g., North America, Western Europe, Communist Asia, Black Africa, etc.). Each region will be analyzed as a separate entity. Its trends will be shaped by those of the nations within it, and at the same time these trends will act as a force in their own right to influence the region's nations.
3. A "macro" order which will discuss and project "alternate world futures." The central projection will be an extension of Hudson's "surprise-free" projection for the next five to fifteen years, based on trends forecast for both individual nations and regions. From this central projection there will be developed several "excursions" based on less-probable but still possible technological, economic and political developments in the world. The final output will show a basic world future with a number of variations ranked by the likely probability of their occurrence.

While each of the above three orders will be considered separately (and can be consulted separately) they will clearly be interrelated. Thus, regional tensions will contribute to trends within a nation, and these trends will in turn affect the region; and both will affect the shape of future world trends, the perception of which will influence national leaders. While it is manifestly impossible to show all of these interactions, it is possible to show which nations are more or less affected by exogenous activities, which regions are more volatile because of national activity within them, and what are the stronger and weaker influences on world trends. The end result will enable a policy-maker or analyst to better forecast important changes, potential dislocations, serious problems, critical turning points on the onset of likely crises.

Form of Output: There will be two major outputs:

1. A final report which presents data, analysis and conclusions for political, economic and social trends for each of the three "orders" above.
2. A computer input which will supply displays of trends for each nation and region as well as the data and projection for the basic world future and its variations. Current technology has so greatly increased the suitability of the computer for the display, updating and hard copy reproduction of textual material, charts and graphs that it has now virtually replaced the filing cabinet for the storage and retrieval of such data.

An additional form of output could be on-site briefings of particular countries and/or trends, as requested by the contracting agency.

Duration of Study: Two to three years from date of contract

Level of Effort: Total level of effort required would be eight to ten man-years; of this amount, at least 50% would be provided by the C.I.A., while the remainder would be sought from the Departments of State and Defense.

OFFICE OF THE DD/I

Executive Registry

76-6767/1

6 February 1976

N/M

NOTE FOR:

SUBJECT : Herman Kahn

Agency contacts with Herman Kahn have been few and relatively far between.

In 1972 he attended an informal seminar initiated at his request to discuss research and development in the USSR. This was in line with a contract job he was doing for DoD. He occasionally speaks at some of the Agency training courses and in May 1973, spoke in the auditorium on "The Future of Mankind." This appearance was part of a series of lectures run by OTR.

Paul V. Walsh
Acting DDI

cc: Ben Evans

Mr. Leon Martel is coming
with Mr. Kahn

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From the desk of

Executive Registry

76-6767

Ben —

Have we ever had any dealings
with Herman Kahn, Hudson Institute,
if so what, and who had
contact with him —

Mr. Bush needs the info
asap - by 3 p.m.

Thanks

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